



**THE ASSISTANT SECRETARY OF THE NAVY**  
(Research, Development and Acquisition)  
WASHINGTON, D.C. 20350-1000

**NOV 17 2004**

**MEMORANDUM FOR DISTRIBUTION**

**Subj: PURCHASE OF SERVERS AND APPLICATION HOSTING SERVICES**

Navy has initiated an enterprise approach to managing Information Technology requirements, resourcing, and acquisitions. Multiple elements of the Navy organization are supporting this transformation through new strategies, processes, and governance alignment. As a part of this effort, Navy identified requirements for, and is commencing efforts to acquire, enterprise solutions for application hosting and server consolidation services. The Program Executive Office for Information Technology (PEO IT) is leading the development of the supporting acquisition strategy.

An enterprise focused, coordinated server and application strategy is required. Effective 30 days from the date of this memorandum, no new or upgraded servers or application hosting services are to be purchased, leased, or rented at any level of the Navy organization for CONUS ashore use without the prior written approval of PEO IT. This restriction includes the purchase, lease, or rental of servers or application hosting services under support contracts. Specifically excluded from this direction are servers or application hosting for Top Secret information, compartmentalized information, and cryptologic activities related to National Security Systems.

OPNAV N6/7 is requested to coordinate with PEO IT to provide appropriate funding to execute this directive. This funding represents a portion of the investment cost necessary to harvest the savings that will accrue as we implement enterprise solutions for server consolidation and application hosting services. Within 30 days from the date of this memorandum, PEO IT will develop a request and approval process and coordinate with appropriate DON organizations. Requests for approval to purchase or lease a server should be forwarded to PEO IT. My point of contact for this direction is Mr. Steve Ehrler, PEO IT.

A handwritten signature in black ink, appearing to read "John J. Young, Jr.", is written over the printed name.

John J. Young, Jr.

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